Government of Saskatchewan

Annual Report 2003-2004

Saskatchewan Beef Development Fund

For the fiscal year ending
March 31, 2004

Saskatchewan Centennial 2005

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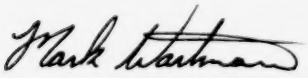
July 31, 2004

To Her Honour,
The Honourable Linda Haverstock
Lieutenant Governor
Province of Saskatchewan

Madam:

I have the honour to submit herewith the Annual Report of the Saskatchewan Beef Development Board for the twelve months ending March 31, 2004.

I have the honour to be, Madam,
Your obedient servant,



Mark Wartman
Minister of Agriculture and Food

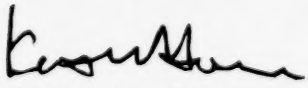
July 19, 2004

The Honourable Mark Wartman
Minister of Agriculture, Food and Rural Revitalization
Room 302, Legislative Building
Regina, Saskatchewan
S4S 0B3

Dear Sir:

I am pleased to present herewith the Annual Report of the Saskatchewan Beef Development Board for the twelve months ending March 31, 2004.

Respectfully submitted,



Keith Howse, Chairperson
Saskatchewan Beef Development Board

The Beef Development Fund

105-06142/

The Beef Development Fund (BDF) supports the development and diversification of Saskatchewan's beef industry through the funding of projects related to production research, technology transfer, and development and promotion of new products.

The fund was established in 1994 utilizing funds saved due to the termination of the National Tripartite Stabilization Program for Cattle and the marketing surplus from the Saskatchewan Beef Stabilization Board marketing account.

Approval Process

After each deadline date, project proposals are reviewed and considered for approval by the BDF Board. Applicants are advised of the board's decision within 60 days. Successful applicants are invited to enter into a contract with the Saskatchewan Beef Development Fund.

Applications Forms

Applicants can use Saskatchewan Agriculture, Food and Rural Revitalization (SAFRR) Agriculture Development Fund (ADF) Project Application Form, available from the Agriculture Research Branch of SAFRR, Room 226, 3085 Albert St., Regina, Sask., S4S 0B1. These forms can also be downloaded from the Research section of the SAFRR Web site at www.agr.gov.sk.ca under Beef Development Fund.

Application Dates

The deadline for applications is January 15 of each year.

Funding

Approved projects are eligible for funding of up to 100 per cent of eligible costs. The decisions are based on the benefit to the beef industry.

Eligible Costs

- professional or technical salaries and fees
- equipment rentals
- materials and supplies
- project travel
- workshop or seminar costs

Ineligible Costs

- overhead expenses
- purchase of land or buildings
- major capital expenses
- expenditures made on a project prior to BDF funding approval

Project Details

When applying for project funding, it is important for applicants to provide as much detail as possible. Board decisions are based on the information provided in the applications.

Please describe the following items thoroughly:

- the justification for, and impact of, the project
- budget details (include quotes if applicable)
- co-investigators (include support or assistance provided)
- potential market or markets

Board Personnel

Board of Directors

Mr. Keith Howse, Chairperson ..... Pangman
Ms. Sandra Schneider. ..... Medstead
Mr. Harold Yelland ..... Porcupine Plain
Mr. Calvin Knoss ..... Rockglen
Mr. George Siemens ..... Fiske
Mr. Lorne Cholin ..... Kerrobert

Staff

Staff services are provided through the Agriculture Research Branch and Administrative Services Branch of Saskatchewan Agriculture, Food and Rural Revitalization (SAFRR).

Dr. A. Hamid Javed ..... Secretary
Mr. Bob Drysdale ..... Acting Secretary
Ms. Wendy Darmochid ..... Financial Records
Mr. Ken Petruic ..... Financial Manager
Ms. Tammy Bast ..... Database Co-ordinator/ Financial Records
Ms. Caroline Jacobs .... Database Co-ordinator

Activities Report 2003 - 2004

This report covers the 2003-04 fiscal year of operation of the Saskatchewan Beef Development Board (SBDB).

Background

The SBDB was established on June 28, 1994 to administer the Beef Development Plan and utilize the funds saved due to the termination of the National Tripartite Stabilization Program and the surplus from the Saskatchewan Beef Stabilization Board (SBSB) marketing account.

The funding available to the SBDB on a one-time basis was $1.8 million from SBSB marketing account and $1.4 million from the provincial government for the transition Beef Industry Development Fund (to replace the provincial share in the National Tripartite Stabilization Program funds).

The SBDB supports the development and diversification of Saskatchewan's beef industry through the funding of projects related to: production research, including nutrition, management, disease prevention and pest control; reproduction; animal welfare and environmental impact; technology transfer; and, the development and promotion of new products.

Activities in 2003-04

The SBDB held meetings on May 27, 2003, August 21, 2003 and March 8, 2004. The first meeting was a conference call to address the issue surrounding Bovine Spongiform Encephalopathy (BSE) crisis. Ken Schmidt, Livestock Development Branch from SAFRR, was invited to speak on BSE at the August meeting. The March meeting was to review applications received for the January 15, 2003 deadline; and to meet with the Assistant Deputy Minister and the Director of Agriculture Research Branch to discuss common goals between the department and the BDF Board.

The salient decisions of the SBDB during the year 03/04 include:

- The SBDB approved its budget for 2003-04 fiscal year.
- The SBDB approved the update of the BDF Board Manual.
- The Board met May 27, 2003 to discuss the BSE situation and communication efforts by the Canadian Food Inspection Agency (CFIA) and SAFRR. The board expressed their appreciation for the efforts to maintain open and up-to-date releases by CFIA and SAFRR, and the contribution by the Saskatchewan Industry Advisory Committee Members in this unprecidented industry effort.
- The board also expressed their support for the Western Beef Development Centre in their attempts to secure long-term operating funds.
- The SBDB received updates on the BSE crisis from Ken Schmidt at their August 21, 2003 meeting, and on the U.S. Border closure issue from Mr. James Kettle, SAFRR, at their March 8, 2004 meeting.
- The board approved funding for four research projects and provided sponsorship for the National Holstein Convention and Dairy Expo in Saskatoon in April 2005.
- The board met with Assistant Deputy Minister, Maryellen Carlson, and Agriculture Research Branch Director, Dr. A. Jalil, to discuss and coordinate research priorities in the beef and processed beef areas.

BDF Completed Projects

<u>University of Saskatchewan</u>

19950337 - SEMEN COLLECTION IN BEEF BULLS

– to explore an alternative means to electro-ejaculation for semen collection from untrained beef bulls

Barth, Albert, Veterinary Teaching Hospital/ Herd Medicine, Western College of Veterinary Medicine, University of Saskatchewan, 52 Campus Dr., Saskatoon, S7N 5B4

19950340 - THE INDUSTRIAL REORGANIZATION OF THE BEEF PRODUCTION INDUSTRY: SASKATCHEWAN'S NICHE

- to investigate the industrial reorganization that is currently taking place in the beef production industry in North America
- to determine where Saskatchewan's niche can best be deveioped
- to accomplish preparing a comprehensive business plan which will include a human resource plan, a marketing plan, an operations plan, and a financial plan

Brown, William, Department of Agriculture Economics, University of Saskatchewan, 51 Campus Drive, SASKATOON SK S7N 5A8

19950345 - IMMUNOCASTRATION OF BULLS: EFFECTS ON AGGRESSIVE BEHAVIOR AND CARCASS QUALITY

- to eliminate aggressive behavior in feedlot bulls especially during the finishing phase, capitalize on the superior growth, feed efficiency and lean carcass yield observed in bulls, eliminate dark cutting and reduced tenderness observed in bulls and to test an alternative humane castration procedure

van Kessel, A.G., Department of Animal and Poultry Science, University of Saskatchewan, 72 Campus Drive, SASKATOON SK S7N 5B5

19950346 - REQUEST FOR DEVELOPMENT OF A BUSINESS PLAN AND INITIAL SEED MONEY FOR THE ESTABLISHMENT OF A BEEF RESEARCH CENTRE

- to develop a business plan and initial seed money for the establishment of a beef research centre

Laarveld, Bernard, Department of Animal and Poultry Science, University of Saskatchewan, 72 Campus Drive, SASKATOON SK S7N 5B5

Baca-Estrada, Maria, VIDO, 120 Veterinary Road, SASKATOON, SK, S7N 5E3

19950362 - BOVINE TRICHOMONIASIS: PREVALENCE IN SASKATCHEWAN AND IMPROVED DIAGNOSTIC METHODS

- a province-wide survey of veterinary practitioners will give accurate data on the prevalence and risk factors for infections. The sensitivity and specificity of the present diagnostic methods for trichomoniasis are unsatisfactory. Required improvements will be sought, tested and made available to laboratories and veterinarians

Campbell, John, R., University of Saskatchewan, 52 Campus Drive Department of Herd Medicine, SASKATOON SK S7N 5B4

19960291 - ALTERNATIVE METHODS OF SEMEN COLLECTION IN BEEF BULLS

- to develop alternative methods for routine semen collection from untrained beef bulls

Barth, Albert, Vet Teaching Hospital/Herd Medicine, University of Saskatchewan, 52 Campus Drive, SASKATOON SK S7N 5B4

19960295 - A RISK MANAGEMENT OPTION FOR THE SASKATCHEWAN COW-CALF PRODUCER

- to examine the potential benefits of a cow-calf/backgrounder price risk management tool that uses the Chicago Mercantile Exchange Feeder Cattle Futures contracts

Brown, William, Department of Agriculture Economics, University of Saskatchewan, 51 Campus Drive, SASKATOON SK S7N 5A8

19960296 - DEMAND FOR VALUE-ADDED BEEF PRODUCTS

- to assess the current and potential status of further processing of manufacturing and grinding beef in Saskatchewan in a Canadian context
- to investigate the consumer preferences of such processed products
- to examine the domestic marketing chain for beef products

Shand, Phyllis, Saskatchewan Food Talk, University of Saskatchewan, 51 Campus Drive SASKATOON SK S7N 5A8

19960301 - IMPACTS OF LIVESTOCK PENNING ON GROUNDWATER QUALITY

- to characterize existing feedlots as to the amount and rate of transport of materials from feedlot manure through the unsaturated soil system and the saturated groundwater system

Maule, Charles, Engineering, Agricultural Bioresources, University of Saskatchewan, 57 Campus Drive, SASKATOON SK S7N 5A9

19970382 - AN ECONOMIC ANALYSIS OF RETAINED OWNERSHIP STRATEGIES

- to analyze the impact of alternative ownership strategies on other profitability and cash flow of cow/calf producers in Saskatchewan

Brown, William, Department of Agriculture Economics, University of Saskatchewan, 51 Campus Drive, SASKATOON SK S7N 5A8

19980354 - DEVELOPMENT OF RATIONS FOR RED VEAL PRODUCTION WITH HOLSTEIN BULL CALVES

- to develop and evaluate cereal grain based rations for production of red veal

Christensen, D, University of Saskatchewan, 51 Campus Drive, Department of Animal and Poultry, SASKATOON SK S7N 5A8

19980361 – EFFECTS OF CASTRATION TECHNIQUES AND ANESTHETICS ON BEHAVIOUR AND PERFORMANCE FEEDLOT BULLS

- to determine if pain of castration of feedlot bulls varies between surgical and rubber ring methods

Campbell, John, University of Saskatchewan, Department of Herd Medicine and Theriogenology, 52 Campus Drive, SASKATOON SK S7N 5B4

19980362 - INVESTIGATION OF THE ROLE OF BOVINE VIRUS DIARRHEA (BVD) VIRUS AND MYCOPLASMA BOVIS IN CHRONIC PNEUMONIA OF FEEDLOT CATTLE

- to clearly define BVD virus, mycoplasma bovis and other agents in chronic pneumonia in feedlot cattle

Wobeser, A., Gary, WCVM, 52 Campus Drive, SASKATOON, SK, S7N 5B4

20010342 – PREVALENCE AND RISK FACTORS FOR E. COLI 0157:H7 IN WESTERN CANADIAN COW/CALF HERDS

- to measure the prevalence of E.coli 0157:H7 in the feces of calves from commercial herds at calving
- to describe risk factors at the herd and individual animal level for the occurrence of E.coli 0157:H7. This information will aid in the development of management practices to decrease environmental and human health risks
- to determine to what extent this organism is associated with calf sickness and death loss in cow/calf herds

Waldner, Cheryl, Western College of Veterinary Medicine (WCVM), 52 Campus Drive, Saskatoon, S7N 5B4

20020005 - "DOWNER COW SYNDROME " IN BEEF COWS FED WINTERING RATIONS BASED ON GREEN FEED

- to work with a selected number of beef producers (five to six) in the northwest region of Saskatchewan to identify what factors led to the development of grass tetany/milk fever-like symptoms in over 70 herds in the Northwest region of Saskatchewan during the 2002 calving season

McKinnon, John, Univ[illegible]sity of Saskatchewan, Department of Animal and Poultry Science, 51 Campus Drive, SASKATOON SK S7N 5A8

Veterinary Infectious Disease Organization

19950339 - DEVELOPMENT OF SIMPLE BLOOD TESTS TO IMPROVE DETECTION OF DISEASE

- to develop rapid, accurate and cost-effective methods for monitoring disease in cattle
- to develop tests to measure aspects of the early inflammatory response which will be of diagnostic and prognostic value

Godson, Dale, VIDO, 120 Veterinary Road, SASKATOON SK S7N 5E3

19950341 - INVESTIGATION OF INTERLEUKIN-8 EXPRESSION IN BOVINE PNEUMONIA AND ARTHRITIS

- to determine whether interleukin-8, a protein made in diseased tissue that acts to cause infiltration of neutrophils (a type that often causes tissue damage), is made in tissues from cattle with naturally occurring pneumonia or arthritis

Sorden, D. Steven, Veterinary Pathology, VIDO, 52 Campus Drive, SASKATOON SK S7N 5B4

19950364 - ORAL VACCINATION OF NEONATAL CALVES: INDUCTION OF LONG TERM IMMUNITY

- The adenovirus vaccine vector offers an effective method to deliver vaccine antigens directly to the site where immune responses first develop in newborn calves and in this way bypass problems associated with the immature system of newborn calves. Furthermore, the delivery of antigens directly to the site where the immune system first develops may induce lifelong immunity. Finally, oral immunization offers the potential advantage of being incorporated with current management practices (i.e. eartagging and dehorning newborn calves)

Griebel, Philip, VIDO, 120 Veterinary Road, SASKATOON SK S7N 5E3

19970375 - NOVEL VACCINE DELIVERY METHODS

- to examine methods of vaccine delivery, intranasal and transdermal

- to compliment the ongoing research in this area at VIDO

Baca-Estrada, Maria, VIDO, 120 Veterinary Road, SASKATOON, SK, S7N 5E3

19980360 - VACCINE DELIVERY FOR ORAL IMMUNIZATION OF CALVES

- to develop vaccine delivery systems to orally immunize newborn calves

Griebel, Philip, Veterinary Infectious Disease Organization (VIDO), 120 Veterinary Rd., Saskatoon, S7N 5E3

Centre for Studies in Agriculture and Environment (CSALE)

20000340 – AN ASSESSMENT OF WESTERN CANADIAN BEEF DEVELOPMENT

– to investigate and analyse the implications of transforming cropland to livestock for at least two representative rural municipalities in Saskatchewan.

Centre for Studies in Agriculture Law and Environment (CSALE), University of Saskatchewan, Saskatoon, S7N 5A2

Agriculture and Agri-Food Canada

19950347 - INTEGRATED BACKGROUNDING AND FINISHING SYSTEMS FOR SPECIFIC MARKETS (MELFORT PHASE)

- to develop new pasture and forage-based systems for lower production costs for backgrounding calves
- to determine the economics of the various new forage backgrounding systems

McCartney, Duane, Agriculture and Agri-Food Canada, 6000 C & E Trail, LACOMBE AB T4L 1W1

19950359 - FALL AND WINTER BACKGROUNDING OF BEEF CALVES ON PASTURE

- to evaluate the production and economic feasibility of growing weaned beef calves from 550 lb to 900 lb on pasture during fall and winter in southwestern Saskatchewan

Jefferson, Paul, G., Agriculture and Agri-Food Canada, P.O. Box 1030, SWIFT CURRENT SK S9H 3X2

19960379 - OPTIMIZING PASTURE PRODUCTION BY USING MIXTURE OF NATIVE SHRUBS AND LEGUMES IN SOUTHWESTERN SASKATCHEWAN

- to optimize mixtures of shrubs and forbs (botanical term) for economical production of pasture
- to obtain better understanding of mutual benefit of combinations of native forage shrubs and legumes to further improve their productivity

Schellenberg, M.P., Agriculture and Agri-Food Canada, Box 1030, SWIFT CURRENT, SK, S9H 3X2

Farm Animal Council of Saskatchewan (FACS)

19950365 - SERIES OF BOVINE INFORMATION BROCHURES

- to assist both new and existing producers. By providing knowledge of the symptoms, cause and treatment of common ailments found in modern cattle production, the hope is to reduce the number of downer and condemned animals filtered through the auction markets

Buettner, Adele, Farm Animal Council of Saskatchewan, 502-45th Street West, 2nd Floor, SASKATOON SK S7L 6H2

19960292 - CATTLE FACS

- to assist both new and existing producers
- to provide knowledge of the symptoms, cause and treatment of common ailments found in modern cattle production

Buettner, Adele, Farm Animal Council of Saskatchewan, 502-45th Street West, 2nd Floor, SASKATOON SK S7L 6H2

19970177 - CORE FUNDING FOR THE FOUNDATION FOR ANIMAL CARE SASKATCHEWAN INC

- to secure a three-year corporate membership from the Saskatchewan Beef Development Fund to contribute as a core funder

Buettner, Adele, Farm Animal Council, 502-45th Street West, 2nd Floor, SASKATOON, SK, S7L 6H2

19990188 - CORPORATE MEMBERSHIP IN FACS

- to secure a three-year Corporate Membership from the Saskatchewan Beef Development Fund to contribute as a support to the Farm Animal Council's Core Activities

Buettner, Adele, Farm Animal Council of Saskatchewan (FACS), 502-45th St. W., 2nd Floor, Saskatoon, S7L 6H2

20010343 – CORPORATE MEMBERSHIP IN FACS

- to secure a three-year corporate membership for the Saskatchewan Beef Development Fund to contribute as a support to the Farm Animal Council's Core activities

Buettner, Adel, Farm Animal Council of Saskatchewan (FACS), 502 – 45th Street West, 2nd Floor, Sasaktoon, S7L 6H2

Prairie Agricultural Machinery Institute (PAMI)

19980356 - ELECTRIC FENCE ENERGIZER EVALUATIONS

- to evaluate a maximum of twelve electric fence energizers for effectiveness of this operation. These evaluations will be available to the public through Prairie Agricultural Machinery Institute's (PAMI) information services

Lucyshyn, Troy, PAMI, Box 1150, HUMBOLDT SK S0K 2A0

Saskatchewan Cattle Feeders

19950344 - DEMONSTRATION OF AUTOMATED ULTRASOUND GRADING SYSTEM TO COW-CALF OPERATORS, LARGE COMMERCIAL BEEF FEEDLOT OPERATORS AND PURE BREED OPERATORS

- to improve the software package developed in Phase III by providing feedback from demonstrations.
- to improve the usability of the marbling software by understanding the needs of users
- to develop a strategy to market Saskatchewan beef based upon the effective use of predicting carcass grade in cattle destined for Canadian, USA and other international markets
- to evaluate the performance of field tests at bull test stations.

Johannesen, Sharron, Sask Cattle Feeders, Site 12 GB 259 RR4, SASKATOON SK S7K 3J7

19950366 - TO ESTABLISH "SASKBEEF" AS A NEUTRAL BEEF INDUSTRY FORUM

- to bring all stakeholders, involved in the development of the beef industry in Saskatchewan, together in an ongoing open forum. To provide an industry-wide team approach to promote the development of the beef industry

Braaten, Milt, Saskatchewan Cattle Feeders Association, Box 116, ABBEY SK S0N 0A0

19980226 - "REACHING THE ROOTS" APPRISING CATTLE PRODUCERS OF QUALITY IMPROVEMENT TARGETS AND MANAGEMENT METHODS

- to increase the awareness of factors influencing the quality and safety of beef products "from pasture to plate"

Smith, Nikki, Sask Cattle Feeders , Site 12 GB 259 RR4, SASKATOON, SK, S7K 3J7

Bova-Can Parentage Testing Inc. – Mackay, George

19950338 - MAPPING PRODUCTION AND CARCASS TRAITS BY MICROSATELLITE TYPING IN BEEF REFERENCE FAMILIES

- to make extensive use of the bovine gene map to find genetic linkage between production and carcass quality data and genetic markers in beef reference families, a process known as reverse genetics

Mackay, George, Bova-Can Parentage Testing Inc., 15 Innovation Blvd., SASKATOON SK S7N 2X8

Canadian Water Resource Association – Bauer, Jim

19980230 – FIELD TEST METHOD FOR BLUE-GREEN ALGAE TOXINS

- to develop and/or verify a cost-effective and practical field test kit that can be used to detect the presence or absence of the toxins produced by blue-green algae within any type of water supply prone to their growth

Bauer, Jim, Canadian Water Resource Association, P.O. Box 1329, CAMBRIGDE ON N1R 7G6

Beef Information Centre – Perrin Joan

20000322 - HOT BOX COMPETITION

- to host new organized events by the Regina Academy of Chefs and Cooks Perrin, Joan, Beef Information Centre, #8 2010 7th Avenue, REGINA SK S4R 1C2

Saskatchewan Crop Improvement Association – Pocock, Dale

20010340 – CANADIAN PRODUCTION RE: HIGH STATUS SEED OF THE U.S. PUBLIC FORAGE VARIETIES UNDER AGREEMENT WITH USDA/STATE CROP IMPROVEMENT ASSOCIATIONS

- to access, quarantine, increase and release on a cost recovery basis, genetic material not always available in Canada and/or where Canadian material access is restricted
- work, wherever possible, with Canadian material even on a contract basis while encouraging more access be made for Canadian publicly funded releases

Pocock, Dale, Sask Crop Improvement Association, Box 749, NIPAWIN SK S0E 1E0

Western Beef Development Centre

19990391 – FOUNDING PARTNER MEMBERSHIP IN THE WESTERN BEEF DEVELOPMENT CENTRE INC

- to obtain a founding partner membership with the BDF and to continue to make an ongoing contribution to the production and distribution of information to beef cattle producers

LaClare, John, Western Beef Development Centre, 203 – 105 North Road, SASKATOON SK S7N 4L5

BDF Ongoing Projects

University of Saskatchewan

19950343 - BEEF PRODUCT QUALITY PROGRAM

- to establish an applied research and new product development capability specifically for beef

Shand, Phyllis, Saskatchewan Food Innovation Program, University of Saskatchewan, 51 Campus Dr., Saskatoon, S7N 5A8

20030604 – VALUE-ADDED BEEF PROGRAM

- to provide a coordinated research, new product development and process improvement training in an effort to assist in the expansion and diversification of the Saskatchewan beef processing industry and

to enable the province's meat processors to improve the efficiency and profitability of their operations

Shand, Phylis, University of Saskatchewan, Sask Food Innovation Program, 51 Campus Drive, SASKATOON SK S7N 5A8

20020240 – EVALUATION OF THE NRC 1996 FEED REQUIREMENTS FOR WINTERING BEEF COWS – ARE WE OVER FEEDING OUR COWS/PHASE 2 LACOMBE ALBERTA

- to measure the actual energy requirements and energy expenditures of feed efficient beef cow in different body condition

McKinnon, John, University of Saskatchewan, Department of Animal Poultry and Science, 51 Campus Drive, SASKATOON SK S7N 5A8

Western Beef Development Centre – Lardner Bart

20030610 – ECONOMICS OF FORAGE-BASED PRODUCTION SYSTEMS FOR SASKATCHEWAN

- to determine the production potential and quality of new and established forages unders grazed conditions
- to determine total beef production per acre from a managed twice-over rotational system (Manske)
- to determine the economic returns of forage and beef production from these pasture types
- to determine the net return to equity per acre from grazing grass, legume and mixed forage stands
- to used the results to make recommendations to Sasktachewan producers and SAFRR agrologists as to grazing and economic potential for these forages

Lardner, Bart, Western Beef Development Centre, 72 Campus Drive, SASKATOON SK S7N 5B5

Sasktchewan Beef Quality Working Group – Smith, Nikki

19990392 – BEEF QUALITY ASSURANCE AND FOOD SAFETY PROJECTS FOR SASKATCHEWAN

- to provide a technical and program update to qualified speakers in Saskatchewan
- to focus communication efforts and assess communication tools/program
- to assist administration of projects in Parts A, B, C, and E
- to cover costs of speaker expenses

Smith, Nikki, Saskatchewan Beef Quality Working Group, Site 12 GB 259 RR4, Saskatchewan Cattle Feeders Association, Saskatoon, S7K 3J7

20010122 – DELIVERY OF ON-FARM QUALITY ASSURANCE TO SASKATCHEWAN PRODUCERS

- to hire a provincial on-farm delivery coordinator (in relations to the Canadian Cattleman's Quality Starts Here Program)

Smith, Nikki, Saskatchewan Beef Quality Working Group, Site 12 GB 259 RR4, Saskatchewan Cattle Feeders Association, Saskatoon, S7K 3J7

Farm Animal Council of Saskatchewan (FACS)

20020254 – CATTLE FACS

- to expand on the Cattle FACS Series concept by producing a number of brochures relevant to drought-related issues

Buettner, Adele, Farm Animal Council of Saskatchewan, 502-45th Street West, 2nd Floor, SASKATOON SK S7L 6H2

20030609 – COPORATE MEMBERSHIP IN FACS – 2005 – 2007

- to secure a three-year corporate membership from the Saskatchewan Beef Development Fund to contribute

Buettner, Adele, Farm Animal Council of Saskatchewan, 502-45th Street West, 2nd Floor, SASKATOON SK S7L 6H2

Management Report

Management is responsible for the integrity of the accompanying financial statements and all other information in this annual report. It is the responsibility of management to prepare financial statements in accordance with generally accepted accounting principles in Canada.

The integrity of the financial records from which these financial statements are prepared is largely dependent on management's systems of internal accounting controls. The purpose of such systems is to provide reasonable assurance that transactions are appropriately recorded in order to permit preparation of financial statements; and, assets are properly accounted for and safeguarded against loss from unauthorized use. Underlying this concept of reasonable assurance is the fact that limitations exist in any system of internal accounting controls based on the premise that the cost of such controls should not exceed the benefits derived therefrom.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The board meets periodically with management to satisfy itself that management's responsibilities are properly discharged, and reviews and approves the financial statements and annual report.

The Provincial Auditor of Saskatchewan has audited the financial statements. His report to the Members of the Legislative Assembly, stating the scope of the examination and opinions on the financial statements, appears on the following pages.

The financial statements have been examined and approved by the board.

Submitted by:

Mr. Doug Matthies
Deputy Minister
Saskatchewan Agriculture, Food and
Rural Revitalization

Mr. Ken Petruic
Manager, Financial Services
Saskatchewan Agriculture, Food and
Rural Revitalization

July 31, 2004

Saskatchewan Beef Development Fund Board

FINANCIAL STATEMENTS

For the year ended March 31, 2004

Provincial Auditor Saskatchewan

1500 Chateau Tower
1920 Broad Street
Regina, Saskatchewan
S4P 3V7

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Web site: www.auditor.sk.ca
Internet E-mail: info@auditor.sk.ca

SASKATCHEWAN

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Beef Development Board as at March 31, 2004 and the statement of revenue, expenditure and net assets for the year then ended. The Board's management is responsible for preparing these financial statements. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at March 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
July 23, 2004

Fred Wendel, CMA, CA
Provincial Auditor

BEEF DEVELOPMENT BOARD
STATEMENT OF FINANCIAL POSITION
As at March 31

	2004	2003
ASSETS		
Current assets		
Due from General Revenue Fund (Note 4)	$ 730,500	$ 894,376
Accrued interest receivable	4,579	6,170
	$ 735,079	$ 900,546
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	$ 62	$ 49,279
Net assets (Statement 2)	735,017	851,267
	$ 735,079	$ 900,546

(See accompanying notes to the financial statements)

BEEF DEVELOPMENT BOARD
STATEMENT OF REVENUE, EXPENDITURE AND NET ASSETS
For the Year Ended March 31

	Budget 2004 (Note 7)	2004	2003
Revenues			
Interest revenue	$ 17,999	$ 25,306	$ 24,440
Miscellaneous revenue	---	1,028	---
Total revenues	17,999	26,334	24,440
Expenses			
Project expenses (Note 5)	270,615	136,927	146,795
Board expenses	5,000	3,311	4,732
Miscellaneous expenses	---	2,346	696
Total expenses	275,615	142,584	152,223
Deficit for the year	$ (257,616)	(116,250)	(127,783)
Net assets, beginning of year		851,267	979,050
Net assets, end of year - to Statement 1		$ 735,017	$ 851,267

(See accompanying notes to the financial statements)

BEEF DEVELOPMENT BOARD
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2004

1. Authority

The Beef Development Board (Board) was established pursuant to Section 4 of *The Agri-Food Act* to administer the Beef Development Plan. The Beef Development Plan was established effective June 28, 1994 to enhance the Saskatchewan beef and beef cattle industry through research, development and promotional activities that the Board considers to be in the best interests of the industry.

The Board administers the Plan through the Beef Development Fund.

2. Significant Accounting Policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles. The following accounting principles are considered significant:

a) Research and Development projects

Payments for research and development projects are recorded as project expenses when approved and the eligibility criteria, if any, have been met by the recipient.

3. Financial Instruments

Receivables/Payables

These financial instruments include items that are due or payable within the next year. Due to this short-term maturity, the carrying value of these financial instruments approximates their fair value.

4. Related Party Transactions

Included in these financial statements are transactions with Saskatchewan Crown agencies related to the Board by virtue of common control or significant influence by the Government of Saskatchewan.

The money of the Beef Development Board is deposited in the General Revenue Fund. Under this arrangement, interest is calculated on the net position of the Beef Development Board. Interest is paid by the General Revenue Fund on a quarterly basis using the Government's thirty-day borrowing rate. The Government's average thirty-day borrowing rate for 2003/2004 is 2.79% (2002/2003 is 2.62%).

The Board receives the use of office and administrative services from the Department of Agriculture, Food and Rural Revitalization without charge.

Other transactions with related parties and amounts due to/from them are disclosed separately in the financial statements and notes thereto.

5. Research and Development Projects

Project expenses are as follows:

	2004	2003
Veterinary Infectious Disease Organization - University of Saskatchewan	$ 19,200	$ ---
University of Saskatchewan	37,291	92,795
Western Beef Development Centre	25,000	25,000
Saskatchewan Working Group of Quality	40,000	20,000
Farm Animal Council of Saskatchewan	9,500	5,000
Saskatchewan Crop Improvement Association Inc.	5,936	4,000
	$ 136,927	$ 146,795

6. Commitments

At March 31, 2004 the Board has approved projects for payment in 2004/2005 of $113,495, in 2005/2006 of $12,000, and in 2006/2007 of $0.

7. Budget

The Board approved the budget on March 31, 2003.

8. Cash Flow Statement

No cash flow statement is presented because the required cash flow information is readily apparent from the other financial statements.

Project Payments

Please note: The following project payments represent only the payments made in the 2003-2004 fiscal year. These amounts do not reflect total project contract amounts for these initiatives.

Saskatchewan Crop Improvement Association	Canadian Production Re: High Status Seed of U.S. Public Forage Varieties Under Agreement with USDA/State Crop Improvement Associations	$ 5,936.12
Western College of Veterinary Medicine (WCVM)	Prevelance and Risk Factors For E. Coli 0157:H7 in Western Canadian Cow/Calf Herds	$ 3,320.00
Department of Animal & Poultry Science University of Saskatchewan	"Downer Cow Syndrome" in Beef Cows Fed Wintering Rations Based on Green Feed	$ 3,000.00
Farm Animal Council Of Saskatchewan (FACS)	Corporate Memberships in FACS	$ 5,000.00
Western Beef Development Centre Inc.	Founding Partner Memership in the Western Beef Development Centre Inc.	$ 25,000.00
Saskatchewan Beef Quality Working Group	Delivery Of On-Farm Quality Assurance to Saskatchewan Producers	$ 40,000.00
Department of Animal and Poultry Science University of Saskatchewan	Evaluation of the NRC 1996 Feed Requirements for Wintering Beef Cows – Are We Over Feeding Our Cows/Phase 2 Lacombe Alberta	$ 16,000.00
VIDO	Development of Bovine Adenovirus As A Vector	$ 9,000.00
VIDO	Vaccine Delivery For Oral Immunization of Calves	$ 10,200.00
CSALE University of Saskatchewan	An Assessment of Western Canadian Beef Development	$ 14,970.87
Farm Animal Council of Saskatchewan	Cattle Facs	$ 4,500.00

Government of
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